



# Health Service

LOS ANGELES COUNTY

January 8, 2015

Los Angeles County  
Board of Supervisors

Hilda Solis  
First District

Mark Ridley-Thomas  
Second District

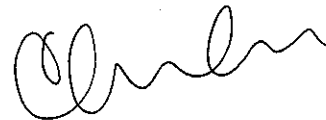
Sheila Kuehl  
Third District

Don Knabe  
Fourth District

Michael D Antonovich  
Fifth District

TO: Supervisor Michael D Antonovich, Mayor  
Supervisor Hilda Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

FROM:  Mitchell H Katz, M D  
Director



SUBJECT: **NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO EXTEND THE TERMS OF FOUR RADIATION THERAPY SERVICES AGREEMENTS**

Mitchell H Katz, M.D.  
Director

Hal F. Yee, Jr, M.D., Ph.D.  
Chief Medical Officer

Christina R Ghaly, M.D.  
Deputy Director Strategy and Operations

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*To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners*

This is to advise the Board that the Department of Health Services has exercised its delegated authority, approved on December 19, 2013 (Attachment A), authorizing the Director of Health Services, or his designee, to execute amendments to extend the terms of the Radiation Therapy Services Agreements with four Contractors identified on Attachment B, for up to six (6) months, on a month-to-month basis, and incorporate and/or revise certain non-substantive terms and conditions, subject to review and approval by County Counsel, and notification to the Board and Chief Executive Office.

The above-mentioned amendments will allow services to continue without interruption through June 30, 2015. The amendments also add the Board mandated language regarding Time Off for Voting, and provide for non-substantive changes on the schedule of rates per treatment/procedure. All other terms and conditions remain unchanged and in full effect.

County Counsel has reviewed and approved the Amendments as to form.

If you have any questions or require additional information, please let me know.

MHK:MS

Attachments (2)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

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**Los Angeles County  
Board of Supervisors**

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Second District

**Zev Yaroslavsky**  
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**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**Mitchell H. Katz, M.D.**  
Director

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November 19, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO FOUR AGREEMENTS FOR  
RADIATION THERAPY SERVICES  
(ALL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval of Amendments to extend the terms of four Agreements with various contractors for the continued provision of radiation therapy services for the Department of Health Services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendments to the Agreements with four Contractors, identified on Attachment A, effective upon Board approval, to extend the Agreement terms effective January 1, 2014 through December 31, 2014, for the continued provision of radiation therapy services for multiple Department of Health Services (DHS or Department) facilities at the same rates of payment, for a total estimated cost of \$1,418,000, with an option to further extend the Agreement term for up to six additional months, on a month-to-month basis.

2. Delegate authority to the Director, or his designee, to execute Amendments to the Agreements to: i) extend the term of the Agreements for up to six months, on a month-to-month basis, at an estimated cost of \$709,000, ii) comply with American Medical Association (AMA) revisions, Medicare and/or Medi-Cal program revisions and reimbursement directives, and iii) incorporate and/or revise certain non-substantive terms and conditions subject to review and approval by County Counsel, with notice to the Chief

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

21 November 19, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Executive Office (CEO) and the Board.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the first recommendation will allow the Director, or his designee, to execute Amendments, substantially similar to Exhibit I, to the Radiation Therapy Services Agreements to provide uninterrupted radiation therapy services for patient referrals, as necessary, from Harbor-UCLA Medical Center (H-UCLA MC), High Desert Multi-Service Ambulatory Care Center (HD MACC), LAC+USC Medical Center (LAC+USC MC), Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC), Olive View-UCLA Medical Center (OV-UCLA MC) and Rancho Los Amigos National Rehabilitation Center (RLANRC). The current Agreements are slated to expire on December 31, 2013. Additionally, the Amendments also include revised Exhibits and Schedules which are necessary in order to update the Current Procedural Terminology (CPT) Codes for consistency with the AMA revisions that delete obsolete procedures, modify existing procedures and add newly developed procedures.

Radiation therapy services were obtained through an open competitive solicitation process that allows contracting with multiple providers who can provide services that improves geographical access for oncology patient referrals. Contractors provide County-registered and referred oncology patients with access to radiation therapy services that includes intensity modulated radiotherapy plans (IMRT), treatment delivery sessions, 3-D treatment plans, computed tomography (CT), follow up visits and additional as-needed support for the DHS facilities to reduce patient backlogs.

The extension of the current Agreements is necessary to allow the additional time necessary to develop a solicitation and complete a new open competitive solicitation process to identify and recommend qualified contractors to the Board for successor contracts.

Approval of the second recommendation will authorize the Director to execute Amendments that will incorporate and/or revise non-substantive terms, conditions and Board required provisions, further extend the Agreement terms for up to a maximum of six months through June 30, 2015; and implement revised program and reimbursement directives that may be issued by AMA, Medicare and/or Medi-Cal.

#### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

#### **FISCAL IMPACT/FINANCING**

The total estimated cost for the extension period of January 1, 2014 through December 31, 2014 is \$1,418,000. If exercised, the estimated cost for the optional month-to-month extension, to a maximum of six (6) months effective January 1, 2015 through June 30, 2015 is \$709,000. Attachment A provides a breakdown of the estimated costs for services provided by each Contractor. Funding for these services is included in the Fiscal Year 2013-14 Final Budget and will be requested in future years, as necessary.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Board approved Agreements on June 5, 2007 with four Contractors, Santa Clarita Radiotherapy

Medical Group, St. Francis Medical Center, St. Vincent Medical Center and South Bay Cancer Center, LLC; selected through a solicitation process to provide temporary, as-needed radiation therapy services for patients referred by various DHS facilities. The Board also delegated authority to the Director to execute Agreements with other qualified and interested vendors who meet the DHS certification criteria and accept the County rates of payment for these services.

DHS exercised its delegated authority in 2008 to add Valley Radiotherapy Associates Medical Group, Inc., an agency that expanded the geographical access for patient referrals in the areas of the San Fernando Valley and Santa Clarita Valley.

On June 6, 2012, the Board approved Amendments to the contracts with the current contractors extending the contract terms July 1, 2012 through June 30, 2013 with additional delegated authority to extend the terms, month-to-month up to a maximum of six (6) months to allow the Department the additional time necessary to develop a solicitation for successor agreements. However, due to substantial turnover of staff, and an increased workload due to the changes associated with the implementation of the Affordable Care Act, the solicitation process has been delayed.

In March 2013, the DHS contract with Santa Clarita Radiotherapy Medical Group was discontinued because the agency was purchased by another private company.

The radiation therapy services Agreements are exempt from Proposition A contracting guidelines because the services are intermittent and as-needed and therefore are not subject to the Living Wage Program.

The termination provisions of each Agreement allow for termination with or without cause with a 30-day advance written notice by either party.

County Counsel has approved Exhibit I as to form.

### **CONTRACTING PROCESS**

The current Agreements with radiation therapy providers were executed as a result of a Request for Proposal (RFP) solicitation that was released to the private sector to identify interested and qualified contractors to provide these contract services.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended actions will ensure the continued provision of critically needed radiation therapy patient services referred by DHS facilities.

The Honorable Board of Supervisors  
11/19/2013  
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D  
Director

MHK:ms

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Officer, Board of Supervisors

**RADIATION THERAPY SERVICE AGREEMENTS****SUMMARY OF FISCAL IMPACT/FINANCING**

<u>Contractor</u>	<u>Date of Board Approval 01/01/2014 to 12/31/14</u>	<u>Optional Six Months 01/01/15 to 06/30/15</u>	<u>Total Contract Sum 01/01/14 to 06/30/15</u>
South Bay Cancer Center	\$261,000	\$130,500	\$391,500
St. Francis Medical Center	\$283,000	\$141,500	\$424,500
St. Vincent Medical Center	\$105,000	\$52,500	\$157,500
Valley Radiotherapy Associates Medical Group, Inc.	\$769,000	\$384,500	\$1,153,500
<hr/>			
<b>Total</b>	<b>\$1,418,000</b>	<b>\$709,000</b>	<b>\$2,127,000</b>

**RADIATION THERAPY SERVICE AGREEMENTS**

<b><u>Contractor</u></b>	<b><u>Contract Number</u></b>
South Bay Cancer Center, LLC	H-702803
St. Francis Medical Center	H-702801
St. Vincent Medical Center	H-703799
Valley Radiotherapy Associates Medical Group, Inc.	H-703020